Financial Transactions and Reports Analysis Centre of Canada

2011-2012

Report on Plans and Priorities

The Honourable James M. Flaherty
Minister of Finance

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Director's Message

I am pleased to present the Report on Plans and Priorities for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) for 2011-12.

FINTRAC is Canada's financial intelligence unit. Every country in the world, perhaps with a few notable exceptions, is engaged in finding ways to protect the legitimate financial system from those who would abuse it—finding ways to detect, deter and prevent money laundering and terrorist activity financing.

At FINTRAC, we find ourselves squarely between the businesses that provide financial transaction reports to us and the police and other investigators who benefit from the financial intelligence we produce. Being in the middle, we add value to the information that is provided; we move it further along and offer real insight to assist in the investigation of serious crimes.

As we look to the year ahead, FINTRAC will continue to focus its efforts on realizing the priorities contained in our Strategic Plan. In line with these priorities, we will continue to align our activities more closely with the needs and priorities of our partners to produce case disclosures that are increasingly timely and relevant. We will continue to increase and diversify our output of strategic intelligence products, and we will work with reporting entities to ensure that effective measures are adopted in a variety of business sectors that will strengthen Canada's defences against those that would abuse our financial system.

FINTRAC will also keep an eye to the future as it plays an active role in the Parliamentary review of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*-our governing legislation. As an agency that works behind the scenes, FINTRAC is committed to the public safety of Canadians and the protection of the integrity of Canada's financial system through the detection, deterrence and prevention of money laundering and terrorist financing. Our ability to contribute good financial intelligence that assists in criminal investigations and strategic analysis that advances the work of Canada's security and intelligence community is in very practical terms, the true measure of our success.

Jeanne M. Flemming
Director

Section I: Departmental Overview

Raison d'être and Responsibilities

Raison d'être

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Canada's Financial Intelligence Unit, exists to detect and deter money laundering and terrorist financing. The Centre's 'value-added' financial intelligence products and compliance functions are a unique contribution to the public safety of Canadians and to the protection of the integrity of Canada's financial system. FINTRAC is an independent agency that was created in 2000. It reports to the Minister of Finance, who is in turn accountable to Parliament for the activities of the Centre. FINTRAC was established and operates within the ambit of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its Regulations.

FINTRAC is one of several domestic partners in Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime, which also includes the Department of Finance as the policy lead, the Royal Canadian Mounted Police (RCMP), the Canadian Security Intelligence Service (CSIS), the Canada Revenue Agency (CRA), the Canada Border Services Agency (CBSA), the Office of the Superintendant of Financial Institutions (OSFI), the Public Prosecution Service of Canada, the Department of Justice, and Public Safety Canada. FINTRAC is also part of the Egmont Group, an international network of financial intelligence units that collaborate to combat money laundering and terrorist activity financing.

FINTRAC's Mission

To contribute to the public safety of Canadians and help protect the integrity of Canada's financial system through the detection and deterrence of money laundering and terrorist financing.

FINTRAC's Vision

To be recognized as a world class financial intelligence unit in the global fight against money laundering and terrorist financing.

Responsibilities

FINTRAC is Canada's financial intelligence unit and is a specialized agency which undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence. In addition, the Centre undertakes activities to ensure compliance by reporting entities with their obligations under Part 1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act.*

FINTRAC's mandate is to facilitate the detection, prevention and deterrence of money laundering, terrorist activity financing and other threats to the security of Canada by engaging in the following activities:

- **Receiving, collecting** and **analyzing information** on suspect financial activities;
- **Disclosing tactical financial intelligence** to the appropriate police service, CSIS, or other agencies designated by legislation in support of investigations and prosecutions;
- **Producing** and **disseminating strategic financial intelligence** to inform government policy and decision makers, as well as reporting entities about money laundering and terrorist financing trends, methods and issues;
- **Ensuring compliance** of reporting, record keeping and other obligations by those subject to the PCMLTFA; and
- **Enhancing public awareness** and understanding of matters related to money laundering.

FINTRAC's headquarters are located in Ottawa, with three regional offices in Montreal, Toronto and Vancouver having specific mandates related to compliance with the PCMLTFA.

Strategic Outcome and Program Activity Architecture (PAA)

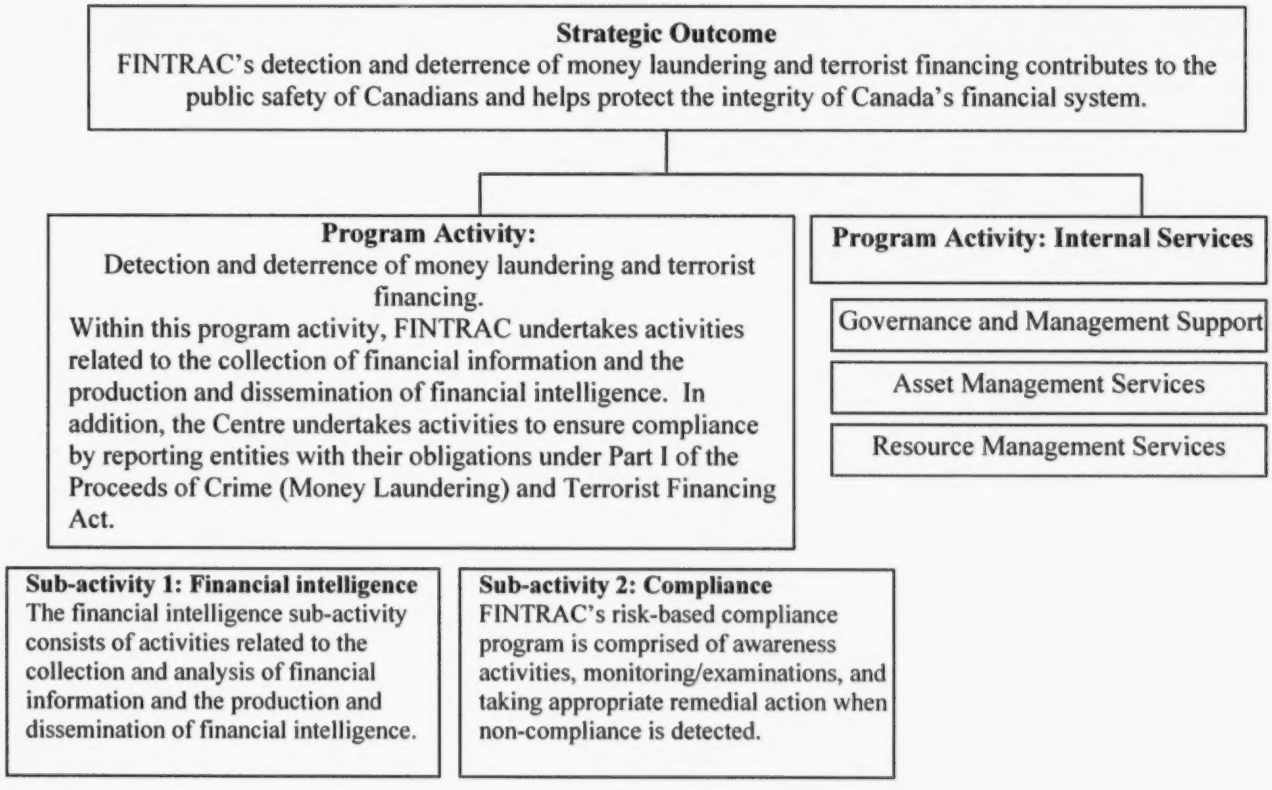
Strategic Outcome

To effectively pursue its mandate, FINTRAC aims to achieve the following strategic outcome:

> FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.

Program Activity Architecture

The chart below illustrates FINTRAC's complete framework of the program activities and sub-activities that contribute to the Agency's Strategic Outcome.


Strategic Outcome
FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.
Program Activity:
Detection and deterrence of money laundering and terrorist financing.
Within this program activity, FINTRAC undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence. In addition, the Centre undertakes activities to ensure compliance by reporting entities with their obligations under Part I of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.
Program Activity: Internal Services
Governance and Management Support
Asset Management Services
Resource Management Services
Sub-activity 1: Financial intelligence
The financial intelligence sub-activity consists of activities related to the collection and analysis of financial information and the production and dissemination of financial intelligence.
Sub-activity 2: Compliance
FINTRAC's risk-based compliance program is comprised of awareness activities, monitoring/examinations, and taking appropriate remedial action when non-compliance is detected.

Planning Summary

Financial Resources ($ Millions)

2011–12	2012–13	2013–14
56.4	58.1	57.6

FINTRAC received additional funding through Budget 2010. The Government has committed to increase ongoing funding for FINTRAC by a total of $8 million annually to enhance the Centre's ability to ensure compliance with the PCMLTFA and meet new responsibilities related to tax evasion becoming a predicate offence to money laundering under Canada's *Criminal Code*. FINTRAC requested a different funding profile in order to effectively manage these funds and will receive funding of $8M in FY 2011-12, $10.5M in FY 2012-13, $10M in FY 2013-14 and $8M in FY 2014-15 and ongoing. As well, FINTRAC receives funding under the National Anti-Drug Strategy until March 31, 2012 and if this funding is not renewed, FINTRAC's resources will be reduced by $.726M in FY 2012-13.

Human Resources (Full-time Equivalent – FTE)

2011–12	2012–13	2013–14
367	361	361

FINTRAC's FTEs are increasing by 52 in 2011-12 due to the additional funding received through Budget 2010. The organization's FTEs will decrease by 6 in FY 2012-13 if funding is not renewed under the National Anti-Drug Strategy funding.

Strategic Outcome : FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.	
Performance Indicators	**Targets**
Number of case disclosures and strategic products that assist and/or are used in investigations and other actions by law enforcement, intelligence agencies and prosecutors	Stable or increasing number of case disclosures used in investigations and other actions
Degree of involvement of reporting entities and other entities with obligations in the Anti-Money Laundering / Anti-Terrorist Activity Financing (AML/ATF) regime	Increasing number of participants in FINTRAC's information sessions, the number of hits on the Web site, and the number of calls to the Call Centre

Program Activity	**Forecast Spending 2010–11**	**Planned Spending**			**Alignment to Government of Canada Outcomes**
		2011–12	**2012–13**	**2013–14**	
Detection and deterrence of money laundering and terrorist financing	47.3	47.9	49.4	49.0	Safe and secure communities
Total Planned Spending		47.9	49.4	49.0	

Internal Services	**Forecast Spending 2010–11**	**Planned Spending**		
		2011–12	**2012–13**	**2013–14**
	8.4	8.5	8.7	8.6

Contribution of Priorities to Strategic Outcome

Operational Priorities	Type	Links to Strategic Outcome	Description
Align our financial intelligence products more closely with our partners' needs and identify emerging money laundering and terrorist financing trends.	Previously committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • Products must be relevant to partners' needs and priorities and available in a timely fashion. • Investigations, prosecutions, and restraint and forfeiture of proceeds of crime constitute a desired end-result of the AML/ATF regime. While these activities are outside of FINTRAC's mandate, they are increasingly supported by the Centre's production of financial intelligence and compliance program. **Plans for meeting the priority:** • Maintain formal processes at both the executive and operational levels to align FINTRAC's tactical and strategic financial intelligence products with the priorities and needs of key investigative partners. • Produce a wide range of strategic financial intelligence assessments, briefs and reports to ensure that policy makers, FINTRAC partners and other interested parties have the knowledge and support they need to make informed decisions on existing and emerging money laundering and terrorist financing issues. • Strengthen the quality and quantity of partner feedback on the relevance, timeliness and usability of FINTRAC's financial intelligence products.
Refine our risk-based compliance program.	Previously committed to	This priority contributes to FINTRAC's strategic outcome:	**Why this is a priority:** • FINTRAC's compliance program ensures that the Centre receives the financial information it needs from

		FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system	those with reporting obligations under the PCMLTFA. This information supports FINTRAC's analysis and disclosures on cases of suspected money laundering and terrorist financing. • The compliance program also serves as a deterrent for those who would attempt to use Canada's financial systems for money laundering or terrorism financing purposes. **Plans for meeting the priority:** • Establish a more robust risk assessment model. • Expand enforcement activities across all sectors. • Enhance compliance research and analysis.
Enhance collaboration with our partners and stakeholders.	Previously committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • Collaborating with businesses that have obligations under the PCMLTFA provides them with insight into how we use the information that they provide. This supports them in providing FINTRAC with high quality information. • Collaborating with the recipients of FINTRAC products enables FINTRAC to enhance the value of information provided. **Plans for meeting the priority:** • Strengthen relationships with key partners to foster the alignment of priorities and efforts to increase overall effectiveness. • Ensure that effective mechanisms are in place for sharing information with partners. • Strive for better integration with the intelligence community to become a key contributor to national security efforts. • Work to ensure that reporting

			entities, partners and other stakeholders understand and support FINTRAC's work and mission. • Develop new international relationships, and enhance the use of existing relationships with international partners. • Share FINTRAC's expertise with developing FIUs.
Pursue policy and legislative opportunities to strengthen the AML/ATF regime.	Previously committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • The identification of gaps and possible improvements to the regime is critical in order to ensure that FINTRAC is well positioned to pursue opportunities to improve on the ability to fulfill its mandate. • The upcoming Parliamentary review of the PCMLTFA will require significant FINTRAC attention and may identify opportunities for legislative changes to strengthen the AML/ATF regime. **Plans for meeting the priority:** • Maximize the use and interpretation of the current legislation. • Increase FINTRAC's ability to influence policy and legislative directions of Canada's AML/ATF regime and international standards. • Promote a more effective regulatory framework to facilitate and improve quality and quantity of reporting of financial information. • Prepare for, and actively participate in the upcoming Parliamentary review of the PCMLTFA.
Be innovative in our approach to operational processes to	Previously committed to	This priority contributes to FINTRAC's strategic outcome:	**Why this is a priority:** • The volume of reports received by FINTRAC calls for sophisticated IT tools to extract financial

maximize our efficiency and effectiveness.		*FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	intelligence and identify cases of non-compliance. • Improving key business processes through innovation and automation will allow FINTRAC to make the best use of its resources and maximize its impact in the AML/ATF regime by producing more relevant and timely financial intelligence. **Plans for meeting the priority:** • Implement processes to enhance the centre's efficiency and effectiveness. • Continue to automate key business processes through technology-driven solutions.

Management Priorities	Type	Links to Strategic Outcome	Description
Promote excellence in our workforce and strengthen our management and human resources framework.	Previously committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • FINTRAC is a maturing organization, and is going through a period of change in its management and business processes. • The Centre is focusing on human and resource management to ensure that FINTRAC continues to be a strong organization that delivers on expected results. **Plans for meeting the priority:** • Align the Centre's internal controls with government priorities in each area. • Review and update corporate policies and practices in light of FINTRAC's business strategies. • Ensure the most efficient alignment of resources with business priorities and strategic directions. • Strengthen FINTRAC's management framework through a comprehensive review of the agency's performance

			measurement framework and practices. • Develop and maintain a reputation as an "employer of choice" with a diverse and dynamic workforce. • Maintain and strengthen FINTRAC's unique expertise and skill sets with the help of employee development programs and encourage and support career progression.

Risk Analysis

As Canada's Financial Intelligence Unit and a partner in Canada's Anti-Money Laundering/Anti-Terrorist Financing Initiative, FINTRAC is a unique organization and will continue to face unique challenges. In seeking to be proactive in identifying risks and opportunities, FINTRAC must anticipate and assess external risk factors that can affect the design and delivery of its program and the achievement of its strategic outcome. Additionally, FINTRAC must identify factors and risks which could adversely affect its ability to effectively manage internal operations and management. The following provides an overview of some of the Centre's key risk factors and identifies elements of the Centre's response intended to mitigate these issues so that they do not adversely affect the Centre's ability to deliver on its mandate.

Key Risks, Opportunities and Strategies

External Risks

Changing Methods of Money Laundering and Terrorist Financing
On a continuing basis, those who would launder money or finance terrorism are developing new methods and finding new venues for their activities and FINTRAC continues to work with its domestic and international partners to identify emerging trends. To meet this challenge, FINTRAC maintains a research and analysis capacity that is increasingly being supported by advanced technological tools in order to monitor the use of new technologies to launder money and finance terrorist activities and to assess their level of risk. The Centre continues to develop and roll out information technology advances to support its operations. These activities are conducted in a tightly contained environment, in line with FINTRAC's strong commitment to protect the information under its control against any type of unauthorized disclosure.

Increasing Demand for FINTRAC's Financial Intelligence
An increased demand for FINTRAC's tactical products from disclosure recipients coupled with an increased demand for strategic products from partners, reporting entities and other stakeholders will continue to require the use of technological tools and dedicated resources for tactical and strategic research and analysis. Over the past couple

of years, FINTRAC has made a number of specific improvements to its analytical processes and realigned internal processes and operating structures to better understand and respond to the identified needs of investigative and intelligence partners. In addition, the Centre will continue to align intelligence products with the needs of recipients to ensure that they are as useful and timely as possible. FINTRAC will also make a concerted effort to foster relationships with reporting entities as they are an integral part of the AML/ATF initiative.

Internal Risks

Protection of Information
Financial intelligence units have access to sensitive financial information and are subject to legislation that protects its confidentiality. To ensure the continued protection of personal and other sensitive information, FINTRAC employs a number of safeguards including: incident monitoring; information security awareness training for all staff; access controls through IM/IT protocols; a strong information management program; and criminal penalties for those who deliberately intend to bypass the legal requirements set out in the PCMLTFA and in other legislation. These measures are led by the Centre's Chief Privacy Officer, a member of FINTRAC's Executive Committee, with responsibility to provide strategic privacy leadership, and to coordinate and oversee privacy related activities for the Centre.

Compliance Program
The quality of FINTRAC's financial intelligence stems directly from the quality and quantity of the financial information received by the Centre from those with reporting obligations under the PCMLTFA. Given the large number of entities and organizations that could be conducting financial transactions in the course of their activities that fall within the ambit of the PCMLTFA and its associated regulations, FINTRAC's risk-based compliance program faces a significant challenge in assessing reporting entity compliance. To ensure that the Centre is able to adequately monitor and enforce the legislative requirements, FINTRAC has made improvements to its risk-assessment model and introduced more efficient enforcement procedures. During the planning period, the Centre will also utilize additional funding provided in Budget 2010 to make priority investments in both people and systems to increase its enforcement activities, enhance compliance research and development, and strengthen the Centre's IT infrastructure in support of the compliance program.

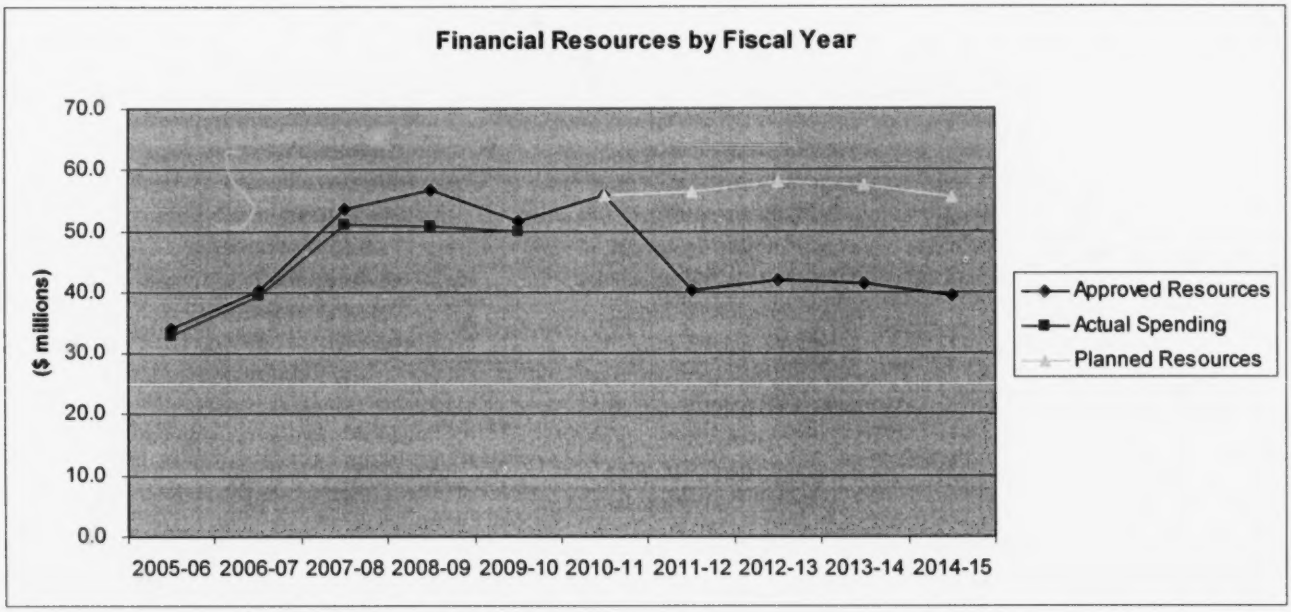
Recruitment and Retention
FINTRAC, like many other organizations, continues to have the challenge of changing workforce demographics and the risk of being unable to attract and retain a sufficient and representative workforce with the appropriate competencies to adequately support, deliver and manage programs and services. To address this challenge, FINTRAC utilizes a number of strategies including: engaging in recruitment initiatives to increase the Centre's presence in the labour market; cross-training of employees, where possible; interchanges with similar agencies (CSIS, RCMP, CRA) to create synergies and promote knowledge sharing; retention strategies such as performance pay and professional development programs; and development of HR competency profiles.

Emergency Planning and Business Continuity Plans
Canada is not immune to terrorist events or to natural disasters such as fire, flooding or earthquakes. In the event that an incident does occur which impacts its normal operations, FINTRAC must be prepared to respond quickly and effectively. The Centre will continue to develop and implement strategies and action plans to help mitigate the impact of any incident and to resume its operations in a reasonable amount of time. This will include implementing a Business Continuity Plan and enhancing its incident monitoring and response procedures.

Corporate Risk Profile

FINTRAC's risk analysis is supported by the regular update of the Centre's Corporate Risk Profile (CRP). The CRP is an important tool that identifies the Centre's key strategic risks, including those discussed above, the likelihood and impact for each of the risks; risk rankings; risk responses/mitigation measures; and identifies risk owners from within the Centre. By regularly updating the CRP, FINTRAC is more easily able to integrate risk information into all aspects of FINTRAC's business and facilitate the development of systematic risk mitigation approaches that are tailored to the Centre's specific environment and needs.

Expenditure Profile



Actual Spending 2005-06 to 2009-10

FINTRAC received funding for the 2006 amendments to the PCMLTFA; however, as the coming into force dates of these initiatives gradually occurred over the following three fiscal years, important reprofiling of funds was prompted, which explains the apparent peak in resourcing for the years 2007-08 and 2008-09.

From 2005-06 to 2006-07, the total resources available to FINTRAC increased from $34.0M to $40.3M. This additional funding allowed FINTRAC to respond to existing program pressures (Business Continuity Plan (BCP) – disaster recovery site, asset replacement plan and workload pressures) related to the National Initiative to Combat Money Laundering (NICML, now AML/ATF regime). Actual spending was $39.4M in 2006-07.

In 2007-08, funding increased to $53.5M (including $5.082M that was reprofiled from 2006-07): additional resources were allocated towards the 5 year contribution for the establishment of the Egmont Group secretariat in Toronto, for FINTRAC's participation in the National Anti-Drug Strategy and for the implementation of the new initiatives. Actual spending for 2007-2008 was $51.1M.

The resources available for spending in 2008-09 were $56.8M, including an amount of $5.1M reprofiled from 2007-08 for new initiatives. Actual Spending for 2008-09 was $50.6M, with a total of $1.85M being reprofiled into fiscal year 2009-10.

The resources available for spending in 2009-10 were $53.7M, including an amount of $1.85M reprofiled from 2008-2009. Actual Spending for 2009-10 was $49.9M, with a total of $1.3M being reprofiled into fiscal year 2010-11.

Planned Spending 2010-2011 to 2013-2014

Forecasted spending for 2010-11 is $55.7M, including $3.5M received through Budget 2010, as well as $2.1M carried forward from fiscal year 2009-10.

Resources available in 2011-12 are $56.4M, including $8M received through Budget 2010. This $8M has been provided to enhance the Centre's ability to ensure compliance with the PCMLTFA and meet new responsibilities related to tax evasion becoming a predicate offence to money laundering under Canada's *Criminal Code*.

Budget 2010 also announced a number of targeted measures to restrain growth in government spending. FINTRAC has developed a plan to ensure that these cost containment measures, including the continued freeze on spending for travel, conferences and hospitality at 2008-09 levels, are fully respected by the Centre. FINTRAC has implemented rigorous control and reporting mechanisms to monitor spending, and has completed a planning exercise for fiscal years 2010-11 to 2014-15 to identify additional opportunities for efficiencies.

Planned resource levels for fiscal years 2011-12 are $56.4M, $58.1M in 2012-13 and $57.6M in 2013-14. The reinstatement of ongoing FINTRAC funding of $16.2M is contingent upon the approval of the 10 year evaluation of the AML/ATF Regime. The $16.2M has been included in the figures above. Funding for the National Anti-Drug Strategy has been provided until 2011-12.

In 2011-12, Canada's contribution for the establishment of the Egmont Group Secretariat will have concluded. This is in keeping with Canada's commitment to host the Secretariat, which included start-up funding of $5M over five years. Beginning in 2011, the Egmont Group Secretariat will be fully funded through annual contributions by Egmont members.

Estimates by Vote

Estimates by Vote are presented in the 2011–12 Main Estimates which are available here: http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/info/info-eng.asp.

Section II: Analysis of Program Activity by Strategic Outcome

Program Activity by Strategic Outcome

Strategic Outcome

FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.

The following section describes FINTRAC's program activities and identifies the expected result, performance indicators and targets for each of them. This section also contains a discussion of plans surrounding FINTRAC's program activities, explains how FINTRAC plans on meeting the expected results and presents the financial and non-financial resources that will be dedicated to each program activity. FINTRAC's program activities are:

- Detection and deterrence of money laundering and terrorist financing; and
- Internal services.

In order to measure FINTRAC's success against the Strategic Outcome, the following performance indicators and associated targets are in place:

Performance Indicators	Targets
The number of case disclosures and strategic products that assist and/or are used in investigation and other actions by law enforcement, intelligence agencies and prosecutors.	Stable or an increasing number of case disclosures used in investigations or other actions.
Degree of involvement of reporting entities and other entities with obligations in the Anti-Money Laundering / Anti-Terrorist Activity Financing (AML/ATF) regime.	Increasing number of participants in FINTRAC's information sessions, the number of hits on the Web site, and the number of calls to the Call Centre.

In order to ensure that progress is made towards the achievement of the strategic objective, FINTRAC undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence within the detection and deterrence of money laundering and terrorist financing program activity. In addition, the Centre undertakes activities to ensure compliance by reporting entities with their obligations under Part 1 of the PCMLTFA. Plans for 2011-12 include continuing to refine and improve the organization and its processes, as well as looking towards the future for opportunities to enhance the impact of FINTRAC's unique contribution.

Program Activity 1.1: Detection and Deterrence of Money Laundering and Terrorist Financing

Program Activity 1.1: Detection and Deterrence of Money Laundering and Terrorist Financing					
Human Resources (FTEs) and Planned Spending ($ millions)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
312	47.9	307	49.4	307	49.0

Program Activity Expected Results	Performance Indicators	Targets
Law enforcement, intelligence agencies and prosecutors received timely and relevant tactical and strategic financial intelligence useful for further actions in investigations and other actions.	Satisfaction expressed by law enforcement and security agencies with the usefulness of case disclosures and strategic information products.	On feedback forms, recipients of information rate the information as useful and timely.
Reporting entities are in compliance with the PCMLTFA and related regulations.	Level of compliance by reporting entities with the PCMLTFA.	High level of compliance.

Program Activity Summary

FINTRAC's program activity - *Detection and Deterrence of Money Laundering and Terrorist Financing* encompasses all of the Centre's financial intelligence and compliance activities. These activities are complemented by research, policy and planning and international relationships functions. The effective and efficient production of financial intelligence to combat money laundering and terrorist financing is by necessity collaborative and requires extensive financial analysis, research work, ongoing discussions with partners and stakeholders, and negotiation of access to law enforcement databases and resources.

The Centre also collaborates extensively with its international counterparts, whether by obtaining intelligence or providing case disclosures, sharing best practices, or by taking a leadership role in the development of training sessions to share its expertise with developing FIUs. FINTRAC's continuing work with the Financial Action Task Force and

its leadership role at the Egmont Group supports Canada's involvement in the global fight against money laundering and the financing of terrorist activities.

Planning Highlights

For the planning period, FINTRAC's activities will continue to be guided and shaped by the strategic priorities that lie at the heart of the Strategic Plan that was adopted by the Centre for the period 2009-12. The strategic priorities, outlined earlier in this RPP, set a course for FINTRAC to achieve its expected results of producing more and better financial intelligence that addresses the needs and priorities of its partners, and to refine and strengthen the Centre's risk-based compliance program that seeks to counter money laundering and terrorist financing by improving the compliance of Reporting Entities with their obligations under Part 1 of the PCMLTFA and related regulations.

In order to achieve the expected results, FINTRAC plans to undertake the following activities:

- Continue to ensure that partners receive relevant, timely and usable tactical and strategic financial intelligence products. FINTRAC will work with partners to prioritize their needs and develop products related to these priorities.
- Identify and communicate emerging money laundering and terrorist financing trends. FINTRAC will collaborate with partners and stakeholders to identify and develop relevant financial intelligence products and evaluate product effectiveness.
- Strengthen the Centre's compliance program by establishing a more robust risk assessment model and investing in people and technology.
- FINTRAC will seek new opportunities to strengthen relationships with key partners and strive for better integration with the security and intelligence community with a view to better align priorities and to be more effective in its contributions to partners.
- On an international level, FINTRAC plans to continue to provide technical assistance to developing FIUs directly, by leveraging funds from DFAIT's Counter-Terrorism Capacity Building and Anti-Crime Capacity Building Programs, and through active involvement in the Egmont Group of Financial Intelligence Units. FINTRAC will also contribute to the work being done at the Financial Action Task Force (FATF) on the development and monitoring of international AML/ATF standards. FINTRAC also plans to expand and improve the effectiveness of its international partner network to obtain intelligence and provide case disclosures through agreements with foreign FIUs for information exchange.
- FINTRAC will continue to be innovative in its approach to operational processes by automating key business processes through technology driven solutions, identifying opportunities and inefficiencies and prioritizing and completing implementation plans.
- FINTRAC will actively participate in the upcoming Parliamentary review of the PCMLTFA.

Benefits for Canadians

FINTRAC is an essential component of the community of organizations and functions that combat organized crime and terrorism under Canada's AML/ATF regime. The Centre's role is to facilitate the detection and deterrence of money laundering and terrorist activity financing in Canada and abroad by analyzing reported transactions and other information and making case disclosures of financial intelligence to the appropriate law enforcement agency, security and intelligence agency, or foreign financial intelligence unit, when there are reasonable grounds for suspicion of relevance to the investigation or prosecution of money laundering or terrorist activity financing offences.

By ensuring the compliance of reporting entities with their obligations under the PCMLTFA, the Centre helps to create a formidable deterrent to those who would use legitimate financial channels to launder money or to finance terrorism. In Canada, banks and other entities with obligations under the PCMLTFA maintain internal compliance regimes that ensure that the trail of financial transactions can be followed, and that law enforcement agencies can effectively pursue cases of suspected money laundering and terrorist activity financing, thereby strengthening Canada's capacity to detect and deter money laundering and terrorist financing.

Money laundering and terrorist activity financing are transnational in nature, necessitating the participation of all countries for successful detection and deterrence. FINTRAC's work with international bodies such as the Egmont Group and the Financial Action Task Force contributes to the development of international AML/ATF policies and standards, the promotion of operational cooperation among financial intelligence units and the provision of technical assistance to developing FIUs. The operational links the Centre has forged with other FIUs throughout the world are a vital part of FINTRAC's contribution to the domestic and international fight against terrorism, money laundering and organized crime.

Program Activity 1.2: Internal Services

Program Activity 1.2: Internal Services					
Human Resources (FTEs) and Planned Spending ($ millions)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
55	8.5	54	8.7	54	8.6

Program Activity Summary

Under the internal services program activity are services that support the function of the organization and act as enablers for the organization's other program activity. Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services[1]; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Planning Highlights

For the planning period, FINTRAC will undertake the following activities:

- Maintain and further develop the Centre's reputation as an "employer of choice" with a diverse and dynamic workforce.
- Maintain and strengthen FINTRAC's unique expertise and skill sets with the help of employee development programs and encourage and support career progression.
- Continue to align the Centre's internal controls with Government priorities in each area.
- Review and update corporate policies and practices in line with FINTRAC's business environment.
- Completion and implementation of FINTRAC's 15 month IM/IT operational plan; and
- Development of a 5 year investment plan, which fully supports FINTRAC business strategies and priorities.

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[1] Internal Services figures include only the portion of IT services dedicated to organization-wide activities. Program-specific IT costs are included in the figures for the "Detection and Deterrence of Money Laundering and Terrorist Financing" program activity.

Section III: Supplementary Information

Financial Highlights

FINTRAC's financial statements can be found at:
http://www.fintrac-canafe.gc.ca/publications/reports-rapports-eng.asp#s4

Future-oriented Condensed Statement of Operations

For the Year (Ended March 31)
($ millions)

	% change	Future-oriented 2011–12	Future-oriented 2010–11
Expenses		58.6	53.3
Total Expenses	10%	58.6	53.3
Revenues		-	0.2
Total Revenues	-	-	0.2
Net Cost of Operations	9%	58.6	53.1

Supplementary Information Tables

All electronic supplementary information tables found in the 2011–12 Report on Plans and Priorities can be found on the Treasury Board of Canada Secretariat's web site at: http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp.

- *Greening Government Operations*
- *Horizontal Initiatives*
- *Upcoming Internal Audits and Evaluations over the next three fiscal years*
- *Non-Respendable Revenue*
- *Summary of Capital Spending by Program Activity*

Additional Information

FINTRAC's corporate publications can be found at:
http://www.fintrac-canafe.gc.ca/publications/pub-eng.asp